SUMMARY OF BENEFITS
CSRS AND CSRS OFFSET

Eligibility Under CSRS and CSRS OFFSET:

Optional Retirement

Age 55 with 30 years of service
Age 60 with 20 years of service
Age 62 with 5 years of service

Early Optional

Your Agency must be undergoing a major reorganization, reduction-in-force, or transfer of function determined by the Office of Personnel Management. Annuity is reduced if under Age 55.

Any Age with 25 years of service
Age 50 with 20 years of service

Discontinued Service

Your separation is involuntary and not a removal for misconduct delinquency.

Any Age with 25 years of Service
Age 50 with 20 years of Service

Disability

You must be disabled for useful and efficient service in your current position and any other vacant position at the same grade or pay level within your commuting area and current agency for which you are qualified. Must be prior to retirement or within one year of separation. Except in cases of mental incompetence.

Any Age with 5 years of Service

How Annuities are Computed

Your basic annuity is computed based on your length of service and “high-3” average pay. Your “high-3” average pay is the highest average basic pay you earned during any 3 consecutive years of service.

Your Basic Benefits Will Reduce If:

a) If you retire before age 55 (unless you retire for disability)

b) You didn't make a deposit for service performed prior to October 1, 1982, during which no deductions were taken from your pay (non-deduction service after that date is not used in the computation of benefits if the deposit is not paid);

c) You didn't make a redeposit of a refund for a period of service that ended before October 1, 1990; or

d) You provide for a survivor

Your annuity will be increased periodically by cost-of-living increases that occur after you retire.

Credit for Military Service

As a general rule, military service in the Armed Forces of the United States is Creditable for retirement purposes if it was active service terminated under honorable conditions, and performed prior to your separation from civilian service for retirement. Military service performed on or after January 1, 1957 is normally creditable for social security benefits at age 62.

Military Deposits

Individuals first employed before October 1, 1982 have the option of either

a) making a 7 percent deposit for post-1956 military service, thereby avoiding a reduction in their annuity at age 62 **OR**
b) not making the deposit and having their annuities reduced at age 62 if they are then eligible for Social Security benefits.

Employees first hired by the Federal Government on or after October 1, 1982 must make the deposit or receive no credit at all for military service, including eligibility to retire.

Military deposits include interest unless they are paid within a grace period. Payments must be made to your employing agency before you separate. They cannot be paid to the U.S. Office of Personnel Management.
Rules regarding military deposits are the same under CSRS and FERS except For FERS the deposit rate is only 3% of military pay, plus interest.

Providing for Your Survivors on Retirement

If you are married when you retire, your annuity will be reduced to provide a full survivor annuity for your spouse (unless he or she consents to a lesser benefit). To provide for a survivor annuity. Your annuity will be reduced by 2.5% of the first $3,600, plus 10 percent of the annuity over $3,600. The survivor annuity will be 55 percent of the amount of your annuity before this reduction. Note: If you were divorce after May 6, 1985 your former spouse may receive by court order, all or part of the survivor annuity that your current spouse would otherwise get. You can also elect a survivor annuity for a former spouse (but if you are married, you must get your spouse's consent).

Deposit Service (non-deduction Temporary service)

If retirement deductions were not taken from your pay during certain periods of service. You will need to pay these deductions into the retirement fund to receive full credit for the service. If you have a refund of retirement deductions for prior service, you must repay this money into the retirement fund to receive credit for service in your retirement benefits.
(refer to Pre-retirement seminar) yellow tab

Exceptions: If you retire (other than on disability) while owing a redeposit of a refund for service that ended before October 1, 1990, you will not be required to pay the redeposit in order to receive credit for that refunded service. Instead, full credit for the refunded service will be allowed in computing your annuity, but the annuity will be actuarially reduced.

CSRS Offset Employees

If you are one of the employees covered by the Civil Service Retirement System (CSRS) and Social Security at the same time. You will be eligible to receive a CSRS annuity just as if you were covered by CSRS alone, except that the annuity payment will be reduced when you become eligible for Social Security benefits (usually at age 62). The amount of the reduction will be the amount of the Social Security benefit attributable to your service after 1983 that was covered by both CSRS and Social Security. A survivor annuity based on your service will be reduced for any survivor Social Security benefit in the same manner.

Unused Sick Leave

Your service will be increased by the days of unused sick leave to your credit under a formal leave system. The days of unused sick leave that are added are used only in counting your number of years and months of service for annuity computation purposes. The sick leave cannot be used in computing your "high-3" average salary or for meeting the minimum length of service for retirement eligibility.

Additional Information

You may obtain copies of the pamphlets listed below from OPM's website http://www.opm.gov/retire/html/library/csrs.html

Retirement Facts #1 The Civil Service Retirement System (RI 83-1)

Retirement Facts #2 – Military Service Credit Under the civil Service Retirement System (RI 83-2)

Retirement Facts #3 – Deposits and Redeposits Under the Civil Service Retirement System (RI 83-3)

Retirement Facts #4 – Disability Retirement Under the Civil Service Retirement System (RI 83-4)
Retirement Facts #5 – Survivor Benefits Under the Civil Service Retirement System (RI 83-5)

Retirement Facts #6 – Early Retirement Under the Civil Service Retirement System (RI 83-6)

Retirement Facts #7 – Computing Retirement Benefits Under the civil Service Retirement System (RI 83-7)

Retirement Facts #8 – Credit for Unused Sick Leave Under the Civil Service Retirement System (RI 83-8)

Retirement Facts #9 – Refunds Under the Civil Service Retirement System (RI 83-9)

Retirement Facts #10 – Voluntary Contributions Under the Civil Service Retirement System (RI 83-10)

Retirement Facts #11 – Information for Separating Civil Service Retirement Service Employees Who Are Not Eligible for an Immediate Annuity (RI 83-13)

Retirement Facts #12 – Information About Reemployment for Civil Service Retirement System Annuitants (RI 83-18)

Retirement Facts #13 – Civil Service Retirement System Offset Retirement (RI 83-19)

Thinking About Retirement (RI 83-11)

SUMMARY OF BENEFITS
Federal Employees Retirement System (FERS)

The Federal Employees Retirement System, or FERS became effective January 1, 1987. Almost all new employees hired after December 31, 1983 are automatically covered by FERS.

THE COMPONENTS

FERS is a three-tiered retirement plan. The three components are:

Social Security Benefits
Basic Benefit Plan
Thrift Savings Plan

The Social Security tax covers both the Old Age, Survivors, and Disability Insurance (OASDI) and Medicare Hospital Insurance programs. The Federal Government, as your employer, pays an equal amount. The percentage you each pay for old age, survivor, and disability insurance coverage is 6.20% of your earnings up to the maximum taxable wage base.
The Medicare portion you and your agency each pay is 1.45% of your total pay.

The second component is the Basic Benefit Plan. Your contribution to the Basic Benefit Plan is the difference between 7% of your basic pay and social security's old age, survivor, and disability insurance tax rate, or 0.80%.

RETIREMENT OPTIONS

There are three categories of retirement benefits in the Basic Benefit Plan:

Immediate, and Postponed
Early
Deferred

Eligibility is determined by your age and number of years of creditable service. In some cases you must have reached the **Minimum Retirement Age (MRA)** To receive retirement benefits. The following chart shows the MRA.

Minimum Retirement Age

If you were born:	**Your MRA is:**
Before 1948	55
In 1948	55 and 2 months
In 1949	55 and 4 months
In 1950	55 and 6 months
In 1951	55 and 8 months
In 1952	55 and 10 months
In 1953 through 1964	56
In 1965	56 2 months
In 1966	56 and 4 months
In 1967	56 and 6 months
In 1968	56 and 8 months
In 1969	56 and 10 months
In 1970 and after	57

Immediate or Postponed

If you meet one of the following sets of age and service requirements, you are entitled to an immediate retirement benefit:

Age	**Years of Service**
62	5
60	20
MRA	30
MRA	10*

*(Reduced benefit unless postponed to lessen or eliminate age reduction)

Early

The early retirement benefit is available in certain involuntary separation cases and in cases of voluntary separations during a major reorganization or reduction in force. To be eligible, you must meet the following requirements:

Age	**Years of Service**
50	20
Any Age	25

Deferred

If you leave Federal Service before you meet the age and service requirements for an immediate retirement benefit, you may be eligible for deferred retirement benefits. To be eligible, you must have completed at least 5 years of creditable civilian service. You may receive benefits when you meet one of the following sets of age and service requirement:

Age	Years of service
61	5
60	20
MRA	30
MRA	10*

*(Reduced benefit unless receipt delayed to lessen or avoid age reduction)

*Reduced benefits means if you retire at the minimum retirement age with at least 10 but less than 30 years of service, your benefit will be reduced at the rate of 5 1/12's of 1% for each month (5% for each year) you are under age 62, unless you have 20 years of service and your annuity begins at age 60 or later. You can avoid part or all of the reduction by postponing the commencing date of your annuity.

Survivor Benefits

The Basic Benefit Plan provides benefits for survivors of Federal employees and retirees.

Spouse

If you die while you are an employee…
If you are married, have 18 months of civilian service, and die while you are an active employee, your surviving spouse receives:

A Lump sum payment
Plus
The higher of
½ of your annual pay rate at death
or
½ of your high three average pay.

To be eligible for benefits, you and your spouse must have been married for at least 9 months, or there must be a child born of the marriage, or your death must be accidental.

If you die while you are a retiree…

A married retiree's annuity is automatically reduced to provide spouse survivor benefits unless those benefits are jointly waived in writing by the retiree and the spouse before retirement.

Your annuity is reduced 10% to give your surviving spouse:

An annuity of 50% of your
Unreduced benefit
Plus
A special supplemental annuity
payable until age 60, if your spouse
will not be eligible for Social Security
survivor benefits until age 60.

You and your spouse may choose instead to have your annuity reduced by 5% to give your spouse an annuity of 25% of your unreduced benefit at your death.

Former Spouses

A former spouse may receive survivor benefits as provided in a retiree election or a qualifying court order.

Children

If you have 18 months of civilian service and die while you are an active employee, or if you have retired, your children may be eligible to receive an annuity. This benefit is payable to each unmarried:

Up to age 18;
Up to age 22 if a full time student;
At any age if the child became disabled before age 18

Disability Benefits

To qualify for FERS disability benefits, your disabling condition must be expected to last at least 1 year, and you must have at least 18 months of creditable civilian service.

REFUNDS

You may withdraw your basic benefit contributions if you leave Federal employment. However, if you do, you will not be eligible to receive benefits based on service covered by the refund. There is no provision in the law for the redeposit of FERS contributions that have been refunded.

TEMPORARY (NONDEDUCTION) SERVICE

If the temporary (Non-deduction) service was performed before 01-01-1989, a deposit of 1.3% times base pay, plus interest, can be made. That service will then become creditable for retirement and annuity computation purposes.

If the temporary service was performed on or after 01-01-1989, a deposit cannot be made and this is not creditable for either retirement or annuity computation purposes.

Unused Sick Leave

FERS employees cannot obtain service credit for unused sick leave at retirement. However, if the employee transferred to FERS, unused sick leave can be used to enhance the CSRS portion of your creditable service.

THIRFT SAVINGS PLAN

The Third part of your Federal Employees Retirement System (FERS) benefits is the Thrift Savings Plan (TSP). The TSP is a tax-deferred retirement savings and investment plan. By participating in the TSP, you have the opportunity to save part of your income for retirement, receive matching agency contributions, and reduce your current taxes.

Your Thrift Account is part of your retirement that you control – you decide how much of your pay to put in your thrift account, how to invest it, and, when you retire, you decide how you want your money paid out.

Eligibility

If you are FERS employees you can contribute up to 12 percent of your basic pay each pay period to the TSP.

Beginning in the last month of the second open season after you are hired, your agency will start to contribute Agency Automatic 1% Contributions to your account.

If you are contributing your own money, you will also receive Agency Matching Contributions beginning in the last month of the second open season after you are hired.

If you are CSRS Employee you can contribute up to 7 percent of your basic pay each pay period to the TSP

You do not receive any Agency Automatic (1%) or Matching Contributions.

Getting Your Money Out After You Separate

You are eligible to withdraw you account when you separate from Federal service for 31 or more full calendar days.

TSP Withdrawal Options

The TSP provides three basic ways to withdraw your account:

Receive your account balance in **a single payment.**

Receive your account in **a series of monthly payments**. You have a choice as to how your payments will be calculated. You can choose to receive payments for a fixed number of months in a fixed dollar amount until your account balance is depleted. You can also have the TSP compute monthly payments for you based on an IRS life expectancy table.

Have the TSP purchase **a life annuity** for you with your account balance. You have a choice of many different annuities

TSP Annuities

The TSP offers three basic types of annuities:

Single Life – an annuity paid only to your during your lifetime.

Joint Life with Spouse – an annuity paid to you while you and your spouse are alive. When either of you dies, an annuity will be paid to the survivor for the rest of his or her life.

Joint life with someone other than your spouse – an annuity paid to you while you and a person chosen by you (but other than your spouse) are alive. This person must have an insurable interest in you. When either of you dies, an annuity will be paid to the survivor for life.

You may leave your money in the TSP. However, you must withdraw your entire balance in a single payment or begin receiving monthly payments from the TSP or from the TSP annuity vendor by April 1 of the year following the year you turn 70 ½ (or following the year you separate, if you are already over age 70 ½ when you leave Federal service).

Additional Information

You may obtain copies of FERS pamphlets from OPM's website at http://www.opm.gov/retire/html/library/fers.html

You may obtain copies of booklets and brochures for Thrift Savings from TSP website at http://www.tsp.gov

Federal Employees Life Insurance

Basic FEGLI coverage can be continued in retirement, but you must pay premiums until age 65. Coverage is then either free (if you select the 75% reduction at retirement), or you pay the applicable premium if you select either the 50% or no reduction. This election is made at retirement.

If you elect 75% reduction then the amount of your Basic insurance at retirement will begin to reduce when you reach age 65 or if you are older than 65 when you retire, it will begin to reduce when your retire. Reductions start the 2nd month after your 65th birthday or, if you are over 65 when you retire, the 2nd month after your retirement date. The amount reduces by 2% of the original amount each month until it reaches 25% of the original amount. From then on, only 25% of the original amount of Basic insurance is payable as a death benefit.

If you elect 50% then the amount of your Basic insurance at retirement will reduce by 1% of the original amount each month until it reaches 50% of the original amount. From then on, only 50% of the original BIA is payable as a death benefit.

If you elect No Reduction, then the amount of your Basic insurance at retirement remains the same. The full amount of the BIA is payable as a death benefit.

Optional Insurance

Option A: If you have Option A when you retire, and you are eligible to continue It into retirement, Your Option A coverage will continue in full (10,000) until you reach age 65. Beginning the 2nd month after your 65th birthday, or if you are over 65 when you retire, the 2nd month after your retirement date, Option A will start to reduce at 2% of $10,000 or $250 per month until it reduces down to $2,500. From then on, this is the amount that is payable as death benefit. You cannot prevent these reduction.

Options B and C: If you are eligible to continue your Option B and/or Option C insurance into retirement, you will have two opportunities to make an election. You will make the first election when you retire. You will be able to choose from two levels of coverage: Full Reduction and No Reduction for all multiples.

If you elect Full Reduction, then at age 65, the amount of your Option and/or Option C will begin to reduce at the rate of 2% per month until it reduces to zero.

If you elect No Reduction, then the full amount of the Option B and/or Option C will continue until you die unless you change it to Full Reduction.

You will have a second election opportunity shortly before your 65th birthday. At that time, you will be able to choose Full Reduction or No Reduction for any or all multiples of coverage you have under Option B and/or Option C.

If you are already age 65 when you retire, you still get two changes to make an election: when you retire and again shortly after your retirement.

Designation of Beneficiary

When you die, the Office of Federal Employees' Group Life Insurance (OFEGLI) will pay life insurance benefits in a particular order, set by law:

If you assigned ownership of your life insurance by filing an Assignment of Life Insurance (RI 76-10), OFEGLI will pay benefits:

First, to the beneficiary (ies) designated by your assignee(s), if any;

Second, if there is no such beneficiary, to your assignee(s)

If you did not assign ownership and there is a valid court order on file, OFEGLI will pay benefits in accordance with that court order.
If you did not assign ownership and there is no valid court order on file, OFEGLI will pay benefits

First to the beneficiary(ies) you designated:

Second, if there is no such beneficiary, to your widow or widower;

Third, if none of the above, to your child or children, with the share of any deceased child distributed among descendants of that child (a court will usually have to appoint a guardian to receive payment for a minor child);

Fourth, if none of the above, to your parents in equal shares or the entire amount to your surviving parent;

Fifth, if none of the above, to the executor or administrator of your estate;

Sixth, if none of the above, to your other next of kin as determined under the laws of the State where you lived.

If you want payment to be made differently than listed above, and you have not assigned your life insurance and a valid court order is not on file, you should designate a beneficiary.

If there isn't a valid designation on file when you die, benefits are payable in this order for all others.

First:	to your widow or widower
Second:	If none, to your child or children in equal shares, with the share of any deceased child distributed among that child's descendants
Third:	If none, to your parents in equal shares or the entire amount to your surviving parent
Fourth:	If none, the executor or administrator of your estate
Fifth:	if none, to your next of kin under the laws of the State where you lived at the time of your death.

Additional Information

You may obtain copies of the pamphlets listed below from OPM's website at http://www.opm.gov/insure/life/index.htm

http://www.opm.gov/insure/life/fegli99/federal/booklet/page16.htm
FAQs: My Life Insurance After Retirement
FEGLI – Information for Retirees and Their Families

Federal Employees Health Benefits

Federal Health Benefits can be continued after retirement if you had coverage for the 5 years immediately before retirement or from first opportunity. The only difference is that premiums are paid on a monthly basis

Your spouse cannot continue FEHB coverage after your death unless you have provided a survivor's benefits under your annuity.

FEHB and Medicare

Plans under the FEHB Program help pay for the same kind of expenses as Medicare. FEHB plans also provide coverage for prescriptions drugs, routine physicals, emergency care outside of the United States and some preventive services that Medicare doesn't cover. Some FEHB plans also provide coverage for dental and vision.

Medicare covers orthopedic and prosthetic devices, durable medical equipment, home health care, limited chiropractic services, and medical supplies, which some FEHB plans may not cover or only partially cover (check your plan brochure for details)

How to get more information on Medicare:

1-800 MEDICARE (1-800-633-4227) or
at www.medicare.gov

Social Security

How do you qualify for Retirement Benefits?

When you work and pay Social Security taxes (Called FICA on some pay stubs), You earn Social Security Credits. Most people earn the maximum of four credits per year.

In the year 2001 you earn one credit for each $830 in earnings. The maximum number of credits (also known as Quarters) you need to get retirement benefits depends on your date of birth. If you were born in 1929 or later, you need 40 credits (10 years of work). People born before 1929 need fewer than 40 credits (39 credits if born in 1928; 38 credits if born in 1927); etc.

IMPORTANT POINT: Social Security will give you a personalized benefit estimate at your request. Call toll-free number at 1-800-722-1213 to ask for a form-7004 (Request for Earnings and Benefit Estimate Statement) Or if you have Access to the internet at www.ssa.gov

Full Benefits:

If you were born before 1938, you will be eligible for full social benefit at the age of 65. However, beginning in the year 2003, the age at which full benefits are payable will increase in gradual steps from 65 to 67.

Reduce Benefits:

No matter what your "full" retirement age is, you may start receiving benefits As early as age 62. However, if you start your benefits early, they are reduced five-ninths of one percent for each month before your "full" retirement age. For Example, if your full retirement age is 65 and you sign up for social security when you're 64, you will receive 93 percent of your full benefit. At age 62, you would get 80%. (note: the reduction will be greater in future years as the full retirement age increases. For example, a person retiring at age 62 in the year 2001 will see a reduction of nearly 21%. A person born in 1960 whose full retirement age will be 67 will see a 30% reduction when retiring at age 62).

Important Point: There are disadvantages and advantages to taking your benefit before your full retirement age. The disadvantage is that your benefit is permanently reduced. The advantage is that you collect benefit for a longer period of time. Each persons situation is different, so make sure you contact Social Security before you decide to retire.

Delayed Retirement:

Some people continue to work full-time beyond their full retirement age-and they don't sign up for social security until late. This delay in retirement can increase your social security benefit in two ways:

- Your extra income usually increase your average earnings and the higher your average earnings, the higher your social security benefits will be.

  - In addition, a special credit is given to people who delay retirement beyond their full retirement age. This credit which is a percentage added to your Social Security benefit varies depending on your Date of Birth. For people reaching full retirement age in 2001, the rate is 6% per year. That rate gradually increases in future years until it reaches 8% per year for people reaching full retirement age in 2008 or later. You no longer earn this delayed retirement credit after you reach age 70.

Important Point: If you decide to delay your retirement, be sure to sign up for Medicare at age 65. In some circumstances, medical insurance costs more if you delay applying for it.

Choosing Your Retirement Date: If you plan to start your retirement benefits after age 62, it is a good idea to contact Social Security in advance to see which month is best to claim benefits. In some cases, your choice of a retirement month could mean additional benefits for you and your family.

MEDICARE

Medicare is a health insurance plan for people who are 65 or older. People who are disabled or have permanent kidney failure can get Medicare at any age. Medicare has two parts – Hospital insurance and medical insurance. Most people have both parts.

Hospital insurance, sometimes called Part A, covers inpatient hospital care and certain follow-up care. You already have paid for it as part of your Social Security taxes while you were working.

Medical insurance, sometimes called Part B, pays for physicians' services and some other services not covered by hospital insurance. Medical insurance is optional, and you must pay monthly premiums.

If you're already getting Social Security benefits when you turn 65, your Medicare (Part A) starts automatically. If you're not getting Social Security, you should sign up for medicare close to your 65th birthday, even if you aren't ready to retire. For more information, call Social Security for booklet, Medicare (Publication No. 05-10043).